

2006 OFFICIAL MONTHLY AVERAGE RELEASE TIMES

<u>MONTH</u>	<u>RELEASE DAY</u>
JANUARY	FRIDAY, FEBRUARY 3
FEBRUARY	FRIDAY, MARCH 3
MARCH	MONDAY, APRIL 3
APRIL	MONDAY, MAY 1
MAY	FRIDAY, JUNE 2
JUNE	MONDAY, JULY 3
JULY	FRIDAY, AUGUST 4
AUGUST	FRIDAY, SEPTEMBER 1
SEPTEMBER	MONDAY, OCTOBER 2
OCTOBER	FRIDAY, NOVEMBER 3
NOVEMBER	FRIDAY, DECEMBER 1
DECEMBER	TUESDAY, JANUARY 2, 2007

Release time: 9:00 AM Central time.

### Release Dates for 2006 Federal Milk Order Price Data

Listed below are the release dates for the Federal milk order program for price data applicable to January through December 2006. The advance pricing factors will be released on the Friday before the 23<sup>rd</sup> of the preceding month unless this date is a Friday. Likewise, the class and component prices will be released on the Friday before the 5<sup>th</sup> of the following month unless this date is a Friday. The release time for all release dates is 10:00 a.m. EST/EDST.

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices <u>1/</u>	Release Date	Time Period of NASS Prices <u>1/</u>
January	Dec. 23, 2005	12/10, 17	Feb. 3, 2006	12/31, 1/7, 14, 21, 28
February	Jan. 20, 2006	1/7, 14	Mar. 3	2/4, 11, 18, 25
March	Feb. 17	2/4, 11	Mar. 31	3/4, 11, 18, 25
April	Mar. 17	3/4, 11	May 5	4/1, 8, 15, 22, 29
May	Apr. 21	4/8, 15	Jun. 2	5/6, 13, 20, 27
June	May 19	5/6, 13	Jun. 30	6/3, 10, 17, 24
July	Jun. 23	6/10, 17	Aug. 4	7/1, 8, 15, 22, 29
August	Jul. 21	7/8, 15	Sept. 1	8/5, 12, 19, 26
September	Aug. 18	8/5, 12	Sep. 29	9/2, 9, 16, 23
October	Sept. 22	9/9, 16	Nov. 3	9/30, 10/7, 14, 21, 28
November	Oct. 20	10/7, 14	Dec. 1	11/4, 11, 18, 25
December	Nov. 17	11/4, 11	Jan. 5, 2007	12/2, 9, 16, 23, 30

1/ Weekly sales periods, ending on the indicated date, which are included in the applicable product price average. Information for the week usually is released by NASS on Friday of the following week.

**NATIONAL DAIRY MARKET AT A GLANCE****CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (11/04)**

**BUTTER:** Grade AA closed at \$1.4750. The weekly average for Grade AA is \$1.5017 (-.0908).

**CHEESE:** Barrels closed at \$1.3050 and blocks at \$1.3700. The weekly average for barrels is \$1.3265 (-.0705) and blocks, \$1.3700 (-.0800).

**BUTTER:** The cash butter market is weak as prices continue to edge lower. Some contacts point to the falling futures prices and feel that the cash market is moving lower in unison with futures. Many feel that most Thanksgiving orders have been shipped and expect buying interest to slow as buyers want to see how low this price will get before re-entering the marketplace. Current churning schedules are seasonally active with cream supplies more available than anticipated. Most producers and handlers feel that current inventories and projected churning activity should be sufficient to finish out the year with minimal problems. Imports of butter subject to licensing for the first nine months of the year total 11.5 million pounds, down 9.5% from last year. Imports stand at 74% of the annual Tariff-Rate quota. Imports of High-Tier butter (above the quota and with a penalty) total 461,000 pounds, down sharply from last year's 17.9 million pounds. The decline is likely caused by domestic prices not being high enough to cover the penalty and freight and still make a profit.

**CHEESE:** The cheese market remains weak. Most Thanksgiving orders have been shipped. However, some buyers may postpone last minute orders as long as they can to take advantage of the lower prices. Cheese production is mostly steady. However, the low cheese prices and high milk prices do not make for an attractive financial picture. Cheese yields are getting back in line with typical seasonal norms. According to NASS, January–September cheddar production (unadjusted for leap day) totals 2.292 billion pounds, 1.5% more than the same period last year. Total cheese output was set at 6.800 billion pounds, up 3.0%. Mozzarella production totals 2.254 billion pounds, up 3.8%.

**FLUID MILK:** Milk production across the country is basically at or very near seasonal low levels, although some Southern most areas are reporting slight increases. Milk volumes are nearing seasonal low levels in the Northeast, steady in the Middle Atlantic States, and steady to slightly higher in the Southeast. In the Central part of the country, unseasonably warm temperatures are occurring which are contributing to steady output. In New Mexico, Arizona, and California, the milk flow is steady to slightly higher. Milk volumes in the Pacific Northwest are being impacted by adverse weather conditions. Weather conditions have turned from moderate and dry to cool and wet. Some plants are seeing a decline in receipts due to the inclement weather. In most regions of the country, gains are noted in fat and protein levels. Class I demand is mixed, but for the most part, sales are heavier which is typical for the first of a month. Manufacturing milk demand varies from one region to another. Declining cash cheese prices are causing some producers to closely monitor their milk intakes and production schedules. Cream markets are basically steady with pricing multiples generally unchanged. Overall cream prices are lower as the basing point is lower. Volumes of surplus cream are reported to be heavier than anticipated for this time of the season. Class II cream based holiday item production is occurring, but is lighter than usual for this time of the year. Surplus volumes continue to clear to the churn from coast to coast.

**DRY PRODUCTS:** Nonfat dry milk prices are higher across the country.

The market tone is firm. The major cause for the increases is that changes were made to energy surcharges for November shipments and to the basing price. More producers are now instituting energy charges of their own. These surcharges have the industry buzzing. Many buyers are resisting the charges, but it looks like they are here to stay and most producers have them in place. Also, basing point prices are often higher. From a supply and demand standpoint, nothing has really changed in the marketplace in recent weeks. Stocks are available, but demand is often slower as buyers/users work down their stocks before re-entering the market and paying higher prices which include surcharges. Dry buttermilk markets are generally steady, although a weaker tone is developing in the Central part of the country. Buying interest is fair to good for seasonal and contract accounts. Stocks of buttermilk powder range from light to moderate. Butter production remains active from coast to coast and often higher than projected volumes of buttermilk are being produced. Whey powder markets are steady to firm with prices unchanged to fractionally higher. Whey volumes are not excessive and in many instances producers are still trying to get caught up with contract shipments.

**CCC:** During the week of October 31 – November 4, there was no dairy price support activity.

**CLASS AND COMPONENT PRICES (DAIRY PROGRAMS):** The following are the October 2005 prices under the Federal Milk Order pricing system and the changes from the previous month: Class II \$14.25 (-\$0.10), Class III \$14.35 (+\$0.05), and Class IV \$13.61 (-\$0.14). Product price averages used in computing Class prices are: butter \$1.6363, NDM \$0.9794, cheese \$1.4996, and dry whey \$0.3038. The Class II butterfat price is \$1.8326 and the Class III/IV butterfat price is \$1.8256. Further information may be found at: [www.ams.usda.gov/dyfmom/mib/classprcacnmt.pdf](http://www.ams.usda.gov/dyfmom/mib/classprcacnmt.pdf)

**OCTOBER AGRICULTURAL PRICES HIGHLIGHTS (NASS):**

Prices paid by farmers for commodities and services, interest, taxes, and wage rates in October 2005 advanced 1 point to 143. Compared with October 2004, the index was up 7 points (5.1%). The index of prices received by farmers for dairy products advanced 1 point during the month of October 2005 to 118. Compared with October 2004, the index was down 1 point (0.8%). Prices received by farmers in October with changes from September were: for All Milk, \$15.40, up \$.10; for Fluid Grade Milk, \$15.40, up \$.10; and for Manufacturing Grade Milk, \$14.70, up \$.10. The October milk feed price ratio is 3.44, up from September's 3.26 and October 2004's 3.27.

**SEPTEMBER DAIRY PRODUCTS HIGHLIGHTS (NASS):**

Butter production was 101.1 million pounds during September, 7.2% more than last September and 10.3% heavier than last month. American type cheese production totaled 302.1 million pounds, 3.1% less than last month, but 2.6% more than last September. Total cheese output (excluding cottage cheese) was 742.0 million pounds, 3.9% more than last September but 1.6% less than last month. Current monthly dry dairy product output and the comparison to September 2004 are as follows: Human food NDM, 71.2 million pounds, down 24.2%; dry whole milk 2.9 million pounds, off 10.4%; dry buttermilk 4.1 million pounds, up 12.0%; and human food quality dry whey, 78.2 million pounds, up 5.7%.

\*\*\*\*\*SPECIALS THIS ISSUE\*\*\*\*\*

2006 FEDERAL MILK ORDER AND DAIRY MARKET NEWS RELEASE DATES  
(YELLOW SHEET)

OCTOBER MONTHLY SUMMARY AND AVERAGES (PAGES 7-9)

OCTOBER AGRICULTURAL PRICES HIGHLIGHTS (PAGE 10)  
SEPTEMBER DAIRY PRODUCTS (PAGE 11)

**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

PRODUCT	MONDAY OCTOBER 31	TUESDAY NOVEMBER 1	WEDNESDAY NOVEMBER 2	THURSDAY NOVEMBER 3	FRIDAY NOVEMBER 4	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.3500 (N.C.)	\$1.3400 (-.0100)	\$1.3275 (-.0125)	\$1.3100 (-.0175)	\$1.3050 (-.0050)	(-.0450)	\$1.3265 (-.0705)
40# BLOCKS	\$1.3800 (-.0200)	\$1.3700 (-.0100)	\$1.3650 (-.0050)	\$1.3650 (N.C.)	\$1.3700 (+.0050)	(-.0300)	\$1.3700 (-.0800)
BUTTER GRADE AA	\$1.5500 (-.0275)	-----	\$1.4800 (-.0700)	-----	\$1.4750 (-.0050)	(-.1025)	\$1.5017 (-.0908)

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. \*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at [WWW.AMS.USDA.GOV/MARKETNEWS.HTM](http://WWW.AMS.USDA.GOV/MARKETNEWS.HTM) NOTE: CME NDM on Page 2.

**CHICAGO MERCANTILE EXCHANGE**

MONDAY, OCTOBER 31, 2005

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.3825, 1 @ \$1.3800; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.3700; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.3500; 2 CARS 40# BLOCKS: 1 @ \$1.3800, 1 @ \$1.3825

BUTTER -- SALES: 11 CARS GRADE AA: 1 @ \$1.5650, 6 @ \$1.5600, 1 @ \$1.5575, 3 @ \$1.5500; BIDS UNFILLED: 2 CARS GRADE AA @ \$1.5300; OFFERS UNCOVERED: 5 CARS GRADE AA: 1 @ \$1.5600, 1 @ \$1.5650, 1 @ \$1.5700, 1 @ \$1.5725, 1 @ \$1.5850

TUESDAY, NOVEMBER 1, 2005

CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$1.3700; BIDS UNFILLED: 2 CARS 40# BLOCKS: 1 @ \$1.3700, 1 @ \$1.3000; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.3400

WEDNESDAY, NOVEMBER 2, 2005

CHEESE -- SALES: 9 CARS 40# BLOCKS @ \$1.3650; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.2900; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.3275  
BUTTER -- SALES: 15 CARS GRADE AA: 1 @ \$1.5250, 7 @ \$1.5000, 4 @ \$1.4900, 3 @ \$1.4800; BIDS UNFILLED: 3 CARS GRADE AA @ \$1.4700; OFFERS UNCOVERED: 7 CARS GRADE AA: 1 @ \$1.4950, 2 @ \$1.5000, 1 @ \$1.5100, 2 @ \$1.5200, 1 @ \$1.5350

THURSDAY, NOVEMBER 3, 2005

CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$1.3650; BIDS UNFILLED: 4 CARS 40# BLOCKS: 2 @ \$1.3650, 2 @ \$1.3100; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.3100

FRIDAY, NOVEMBER 4, 2005

CHEESE -- SALES: 6 CARS 40# BLOCKS: 1 @ \$1.3625, 1 @ \$1.3650, 3 @ \$1.3675, 1 @ \$1.3700; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.2500; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.3050

BUTTER -- SALES: NONE; BIDS UNFILLED: 4 CARS GRADE AA: 2 @ \$1.4400, 2 @ \$1.4300; OFFERS UNCOVERED: 4 CARS GRADE AA: 1 @ \$1.4750, 1 @ \$1.4800, 1 @ \$1.4975, 1 @ \$1.5000

**CME CASH NONFAT DRY MILK:** Extra Grade closed the week at \$0.9625 and Grade A at \$0.9950. (The last price change for Extra Grade occurred March 30 and the last price change for Grade A occurred October 24.) The weekly average for Extra Grade is \$0.9625 (N.C.) and Grade A is \$0.9950 (N.C).

**BUTTER MARKETS****SEPTEMBER BUTTER PRODUCTION**

During September 2005, butter production in the United States totaled 101.1 million pounds, 7.2% more than September 2004 and 10.3% more than August 2005. The following are September to September changes for various states: CA +3.7%, NY +4.2%, PA +152.5% and WI +1.1%.

**NORTHEAST**

The butter market is weak and the cash market at the CME has (through 10/31) traded lower during four of the last seven sessions. It has now traded below \$1.60 for three consecutive sessions, the longest period under that level since this past July. Some contacts point to the falling futures prices and feel that the cash market is moving lower in unison with futures. Many feel that most Thanksgiving orders have been shipped and expect buying interest to slow as buyers want to see how low this price will get before re-entering the market. There does not appear to be any shortage of bulk or packaged butter to cover demand during the last two months of the year. Churning activity remains moderate in the East. Excess cream offerings are mixed, mostly steady. Current retail sales, lacking much feature activity, are fair. Food service orders are steady to improved. Sales of bulk butter f.o.b. East, are reported in a range from flat market to 3.0 cents over the CME price/average.

**CENTRAL**

The cash price for butter at the CME continues to decline. At midweek, \$1.4800 is the lowest cash price since mid June. This price compares to \$1.5450 last year at this time and \$1.1925 in 2003. At this time in 2004, CME stocks were declining at a much faster rate and the cash price spiked to \$2.1050 by mid November. This year, the drawdown is more gradual and many butter producers and handlers do not anticipate a price spike to occur. Current churning schedules

are seasonally active with cream supplies more available than anticipated. Producers feel that current inventories and projected churning activity should be sufficient to finish out the year with minimal problems. Thanksgiving orders have now been filled. Producers and handlers feel that some last minute orders will still occur, but for the most part this holiday need has been addressed. Post Thanksgiving and year end holiday needs have been placed and in many instances, shipments of these orders are already occurring. Bulk butter for spot sale is being reported in the flat – 2 cents per pound over various pricing basis.

**WEST**

Butter prices at the cash CME market have fallen 15 1/2 cents in the last five trading sessions to stand at \$1.48. Prices have not been this low since June. Some contacts are a bit surprised at the timing of the decline. They feel that it is occurring a little earlier than they anticipated. Others see the amount of cream and butter available and feel that the decline is probably about right. Butter supplies are readily available and demand is not aggressive at all. Orders are shipping for the Thanksgiving holiday and reorders will likely wait until inventories are assessed after the holiday. Feature activity, so far, has been less than last year. Imports of butter subject to licensing for the first nine months of the year total 11.5 million pounds, down 9.5% from last year. Imports stand at 74% of the annual Tariff-Rate quota. Imports of High-Tier butter (above the quota and with a penalty) total 461,000 pounds, down sharply from last year's 17.9 million pounds. The decline is likely caused by domestic prices not being high enough to cover the penalty and freight and still make a profit. At the CME, the weekly butter inventory number declined by 4.3 million pounds to reach 53.1 million pounds, 15% above one year ago. Bulk butter prices range from 2 cents under to 6 cents under based on the CME with various time frames and averages.

**NASS DAIRY PRODUCT PRICES****U.S. AVERAGES AND TOTAL POUNDS**

	CHEESE				
	40# BLOCKS	BARRELS	NDM	BUTTER	DRY WHEY
		38% MOISTURE			
<u>WEEK ENDING</u>					
OCTOBER 29	1.4495	1.4106	0.9824	1.6085	0.3017
	8,812,234	9,325,496	16,143,762	2,747,341	11,224,746

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Prices are generally lower and the market tone is weak. The cheddar prices at the CME are declining and buyers seem willing to delay additional purchases now that most Thanksgiving orders have been shipped. Eastern cheese production is mostly steady at those facilities still making cheese. Since late September, two cheese plants have ceased cheese production. At the plants that are operating, milk receipts are up slightly. However, with milk prices often above what cheese and whey prices can recoup, most producers are not eager to increase cheese output. Cheddar stocks are about adequate and distributors have little or no difficulty finding desired volumes. Holiday orders for aged cheddar and gift pack items are starting to improve along seasonal patterns. Retail sales are mostly steady and food service orders are little changed.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.5325-2.0525
Cheddar Single Daisies	:	1.4900-1.9650
Cheddar 40# Block	:	1.5900-1.8625
Process 5# Loaf	:	1.6075-1.8450
Process 5# Sliced	:	1.6275-1.8525
Muenster	:	1.6050-1.8050
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

## MIDWEST

The cheese market is weak. Prices have continued to decline for about a week on the Chicago Mercantile Exchange cash cheese market. Current new interest is generally light as spot buyers wait for prices to again hit bottom before reordering. Most orders for Thanksgiving activities are already out or near shipment. The hope for some sellers is that lower cheese prices will generate some additional December holiday activity or sales through the CWT export program. However, with a several week order lead time, some retailers are worried prices could again rebound before yearend, like last November/December. Trucking problems remain an issue on some would-be sales. Current cheddar and natural American offerings are at least adequate for sluggish demand. Aged cheddar interest has picked up slightly. Mozzarella interest has slowed. Cheese production is irregularly steady to lower, particularly where plant operators tried to minimize late October production. Cheese yields are near annual peak levels.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.6475-1.9700
Brick And/Or Muenster 5#	:	1.9700-1.9975
Cheddar 40# Block	:	1.8000-2.2650
Monterey Jack 10#	:	2.0000-2.2650
Blue 5#	:	2.2950-2.6700
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6275-2.3650
Grade A Swiss Cuts 6 - 9#	:	2.4300-2.8900

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
10/31/05	32,330	:	133,750
10/01/05	37,238	:	137,515
CHANGE	-4,908	:	-3,765
% CHANGE	-13	:	-3

## WEST

Block cheese prices at the cash CME market have declined 10 1/4 cents in the last five trading sessions to stand at \$1.3650. Prices have not been this low since August. Some Western contacts are surprised at the decline at this time. They feel that current blocks for cutting are just in a balanced to short position. Some are not able to get all that they need in a timely fashion. Processing solids and under grade cheese are building. Swiss is in very good shape to tight. Mozzarella production is beginning to outpace demand and some is entering the freezer as opposed to being marketed harder. Some cheese plants in the last two weeks of October did try to limit throughput because of the disadvantageous milk/cheese price relationship. Total imports of cheese subject to licensing requirements for the first nine months of the year total 200.2 million pounds, up about 1% from last year. Imports now stand at 67% of the Tariff-Rate quota for the year. Imports of High-Tier cheese (above the quota and with a penalty) for the same period total 18.7 million pounds, down 48% from last year. Domestic cheese prices this year were not high enough to cover the penalty and make a profit. Licensed Swiss imports for the nine months total 48.2 million pounds, up slightly from last year and at 63% of the annual quota.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.5475-1.8050
Cheddar 40# Block	:	1.5700-1.9225
Cheddar 10# Cuts	:	1.7500-1.9700
Monterey Jack 10#	:	1.7600-1.9200
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.7000

## FOREIGN

Prices are steady to lower as the domestic cheese market is showing more signs of weakness. Imported cheese demand is slowly improving along seasonal patterns, but retail prices are a major factor in consumer purchases. Domestic varieties are generally less expensive and attracting more interest due to rising costs of other items (gas) in the day-to-day expenses of most consumers. During the first nine months of 2005, cheese imports, subject to licensing requirements totaled 90.85 million Kg, 0.9% more than the same period last year. For that same time period, the imports of high-tier cheese totaled 8.49 million Kg., 48.8% less than the same period a year ago. The large percentage decline may be due to the domestic (CME) cheese prices staying relatively low and currency exchange rates.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

	:	NEW YORK
VARIETY	:	IMPORTED : DOMESTIC
Roquefort	:	TFEWR : -0-
Blue	:	2.6400-4.6300 : 1.8450-3.3350*
Gorgonzola	:	3.6900-5.9400 : 2.3550-2.4900*
Parmesan (Italy)	:	TFEWR : 3.2600-3.3650*
Romano (Italy)	:	2.1000-3.1900 : -0-
Provolone (Italy)	:	3.4400-6.0900 : 1.8475-2.0825*
Romano (Cows Milk)	:	-0- : 3.0425-5.1850*
Sardo Romano (Argentina)	:	2.8500-3.2900 : -0-
Reggianito (Argentina)	:	2.6900-3.2900 : -0-
Jarlsberg-(Brand)	:	3.1200-4.1500 : -0-
Swiss Cuts Switzerland	:	-0- : 2.4500-2.6500
Swiss Cuts Finnish	:	2.5900-2.8500 : -0-
Swiss Cuts Austrian	:	TFEWR : -0-
Edam	:	:
2 Pound	:	TFEWR : -0-
4 Pound	:	2.1900-3.5600 : -0-
Gouda, Large	:	TFEWR : -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	:	27.8000-31.7000 : -0-

\* = Price change.



## FLUID MILK AND CREAM

## E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	220	0	229	0	220	0
SOUTHEAST STATES	31	0	76	0	0	0

Milk production is at or near its annual low point in the northern-most areas, holding relatively steady in the Middle Atlantic States, and steady to slightly higher in the Southeast. Fluid milk supplies are still more than ample for overall needs. Class I needs are getting back to normal in South Florida where a bottling plant that was down for nearly a week got back on line late last week and immediately called for more milk. However, with many schools still closed Monday and Tuesday this week; that same plant cancelled quite a few loads over the weekend. Due to Hurricane Wilma, many South-Florida homes and businesses are still without electricity, but reportedly most schools reopened at midweek. Class I milk sales are fair to good in other areas. Spot milk shipments into Florida were fairly steady and Class I milk demand in the state is reported as good as stores that have power are restocking coolers. The number of loads moving into other Southeastern states are down as some seasonal milk supply agreements came to an end on November 1. The logistics of finding and transporting milk continues to be a major issue in the milk and dairy product markets. Surplus milk volumes are in better balanced now that the disruptions have settled down. Some cheese plants are taking a little more milk, which is helping ease the pressure on butter/powder plants' schedules. Some balancing plants in the Southeast are seeing less milk this week as a plant that had been down for maintenance is back on line this week. The condensed skim market, as one contact put it, is rather "blah." Offerings are ample and spot demand is just fair. Most sales are contractual. The fluid cream market is improved as more cream is moving into seasonal Class II products. Multiples are basically the same as they have been, but the CME cash butter weekly average price is 4.33 cents lower than the previous week. Some buyers, if they can, are looking to buy on current CME prices as they are lower than last week's average. Cream offerings are in better balance and fewer spot loads are being offered to butter producers. Class II demand is improving as production of sour cream, bottled cream, and ice cream ranges from steady to improved. Also, egg nog production is increasing for Thanksgiving needs. One ice cream producer who was down last week is back on line and taking normal volumes of cream and condensed skim. Cream cheese producers are looking for more spot loads.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.0225-2.1817
DELIVERED EQUIVALENT ATLANTA	-	2.0384-2.2614 M 2.1499-2.2136
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.9906-2.0702

PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS

F.O.B. PRODUCING PLANTS:

NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	1.0200-1.0800
NORTHEAST- CLASS III - SPOT PRICES	-	1.0500-1.1200

## M I D W E S T

Milk production in the Central part of the country is holding steady at typical fall levels. Milk producers and handlers attribute the stronger than usual milk patterns to the unseasonably mild weather that has been prevalent throughout the region. Temperatures forecast to top 70 degrees late in the week will potentially break records for this time of the year. Class I demand is strong which is typical for the first of a month. Bottlers feel that this demand will continue into next week. Manufacturing milk volumes are available, but the demand for this milk is mixed. Buyers were actively looking for milk early in the week with prices ranging \$1.50 – 2.00 over class, fob plant. By midweek, this buying pattern eased somewhat and some buyers were only willing to pay \$1.75 delivered. Declining cash cheese prices are causing some producers to

closely monitor their milk intakes and production schedules. As the Thanksgiving holiday nears, milk handlers are starting to discuss surplus milk volumes and how they are going to handle them. For the most part, no one is overly concerned about the situation. Usually the Thanksgiving holiday period is short enough to manage the surplus, but then they look ahead to the Christmas/New Years period with more caution. Cream markets are steady. Cream volumes are more readily available to both Class II and IV operations than anticipated. Multiples are holding steady in the 125 – 130 level with the base price declining. Class II holiday product production is occurring, but not at levels of previous years for this time of the season.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	OCT 27 - NOV 02	PREVIOUS YEAR
SLAUGHTER COWS	\$ 46.00- 52.00	\$ 44.00- 53.00
REPLACEMENT HEIFER CALVES	\$500.00-700.00	\$400.00-600.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	OCT 27 - NOV 02	PREVIOUS YEAR
SLAUGHTER COWS	\$ 42.00- 53.00	\$ 49.50- 54.00

## W E S T

The October 4a price (butter/powder) in CALIFORNIA is \$13.23, 77 cents higher than September but 12 cents less than last year. The October 4b price (cheese) is \$13.72, down 51 cents from September but 12 cents higher than last year. CALIFORNIA milk output patterns have not changed in recent weeks. In the South and Central Valley, production is mostly steady with slight to modest gains noted. Northern areas are seeing intakes about steady. Gains are noted in fat and protein levels. There are concerns about current year forage quality and what effects that will have on milk gains over the winter. Some herds have been retired under the current CWT program and the loss of milk was noted by processors. Growth in milk supplies are expected as more cows freshen in the next few months. Current bottled milk orders remain strong. Conditions remain favorable for milk production across ARIZONA. Plants are running on schedule and clearing available milk supplies. Bottled milk demand continues to be good from retail and school accounts. NEW MEXICO milk is steady to higher and components in the milk are increasing. Milk demand is good from bottlers and contract shipments are active into the Southeast to fill in local needs. Trucking remains a big issue. More milk is moving into cheese plants in the state. CREAM demand is soft in the region and also shipments to other areas have slowed. A major factor in the market continues to be the cost of shipping cream locally and out of the region. Buyers don't want to pay for the freight and cream is backing up into local churns. Lower butter prices and basing points, along with lower multiples and overages would seem to be factors in stimulating cream demand, but that has not happened to any great extent. Production of seasonal, cream-based items is slow to fair and not using the volumes of cream expected. Cream supplies are also more available because of higher milk output, increasing fat content in milk, and in locations where skimmed cream is longer. On Wednesday, November 2, the CME butter priced declined to \$1.4800, 9 cents lower than a week earlier. Western cream multiples are lower and range from 109 to 124, FOB, and vary depending on class usage and basing point. Weather conditions in the PACIFIC NORTHWEST have turned from moderate and dry to cool and wet. Some plants are seeing a decline in receipts due to the inclement weather. Rain falls of up to 6 inches in the last week are noted. Some ski areas are opening this weekend. This may signal the end of the drought that has occurred in the region since last year. Tests remain good, even above expectations. Cream supplies are heavy with some plants opting to churn instead of marketing the cream because they feel that is a better return. Dairies are able to find hay to continue to cover their winter forage needs. Delivered prices around \$145 are common and the quality is quite good. Later cuttings are testing better than early cuttings. Some rain has been reported over UTAH and IDAHO, but not to the extent that has fallen nearer the coast. Conditions are cooler, but not cool enough to cause any production problems. Tests remain excellent for this season. Heifer prices in the region are very firm. The top end varies from \$2400-2510 while average prices range from \$2230-2300. Prices have not been this high in a long time, if ever. Some good quality hay remains available, but it is selling fast.

**NDM, BUTTERMILK & WHOLE MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL AND EAST**

CENTRAL: Prices are generally higher on a firm market. Production is mostly steady. Although cheese plants are expressing a reduced interest in milk, Class I demand is higher for first of the month sales, encouraging a steady flow of milk into most NDM dryers. Spot movement is noted only on low heat NDM with reduced interest compared to last month due to the higher surcharges assessed for the month of November. Supplies of high heat NDM are tight with supplies limited even for contractual interest. Significant excess supplies of NDM are not expected to become available until after the Thanksgiving Holiday.

EAST: The market tone is unsettled. Prices are often higher again this week as the NASS price series (the basis for most NDM sales) increased about 1.5 cents. This was coupled with the nation's largest NDM supplier increasing the November energy surcharge about 1.3 cents. Also, other producers have now instituted energy surcharges of their own. These surcharges have the industry buzzing. Contacts (primarily buyers) are resisting them, but it looks like they (the surcharges) are here to stay and most producers have them in place. How they are calculated varies by organization. Production levels are mixed. Some plant contacts are seeing increased milk at their plant while others report decreasing receipts. This was generally due to the resumption of Class I sales in Florida and other areas that were affected by Hurricane Wilma. Eastern producer stocks are above normal for this time of year. Demand is slower as buyers/users work down their stocks before re-entering the market and paying the higher surcharges. Also, there is still some resale powder available at prices below current levels.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUMHEAT: 1.0325 - 1.0950 MOSTLY: 1.0400 - 1.0500  
HIGHHEAT: 1.0700 - 1.1250

**NONFAT DRY MILK - WEST**

Western low/medium heat nonfat dry milk prices are often several cents per pound higher this week. The market tone is steady to firm. The major cause for the increases is that changes were made to energy surcharges for November shipments. In addition, several basing points were higher. From a supply and demand standpoint, nothing has really changed in the marketplace in recent weeks. Production is active as milk builds in the region. As natural cheese prices soften and milk output builds, there are concerns as to whether cheese makers will want NDM and condensed skim. Higher fuel surcharges and trucking rates are affecting deliveries into other regions. Buyers are trying to be strategic in assessing needs and pricing factors against each other. Exporting continues to move volumes of NDM and SMP. Producers' stocks are at adequate to moderate levels.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUMHEAT: .9700 - 1.0250 MOSTLY: .9825 - 1.0250  
HIGHHEAT: 1.0000 - 1.0575

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
October 28	\$.9826	7,104,647	0
October 21	\$.9761	3,754,067	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged to lower on a steady to weak market. Cream intakes are higher at some churns, encouraging higher output of condensed buttermilk. While intakes of condensed buttermilk at ice cream operations are fairly steady, excess condensed buttermilk remains available, encouraging movement of condensed buttermilk into dryers. Most plants were not expecting any buttermilk to be dried until after the Thanksgiving holiday. The early production of dry buttermilk is encouraging some producers to trade at lower prices. Stocks of dry buttermilk are available at most locations for the light to fair interest.

F.O.B. CENTRAL: .9500 - 1.0000

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are steady and the market tone is unchanged. However, there are a few reports of market weakness from other areas of the country. The Northeastern price range is nominal. Drying schedules remain relatively light as churning activity is off a little this week. Demand for dry buttermilk is slow to fair at best. Plant stocks are generally balanced.

F.O.B. NORTHEAST: .9600 - 1.0050  
DELVD SOUTHEAST: .9800 - 1.0600

**DRY BUTTERMILK - WEST**

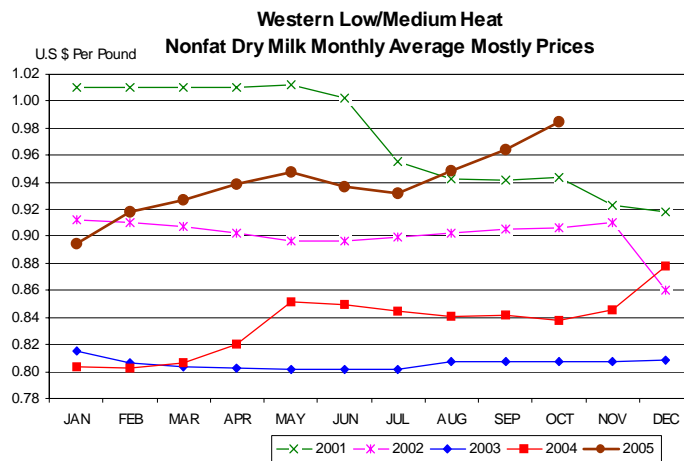
Prices and the market tone remain fully steady for dry buttermilk in the West. Buying interest is fair to good for seasonal and contract accounts. Higher prices for NDM are not affecting demand or pricing for dry buttermilk. There are adequate offerings to fill orders currently and into the near future. Butter production remains active in the region and higher than projected volumes of buttermilk are being produced. Stocks remain light to moderate.

F.O.B. WEST: .9100 - .9650 MOSTLY: .9150 - .9250

**DRY WHOLE MILK - NATIONAL**

Prices and the market tone are unchanged. Prices remain nominal as few spot sales are reported. Drying schedules are light and still geared toward filling orders and meeting contract shipping schedules. Producer stocks are closely balanced.

F.O.B. PRODUCING PLANT: 1.3600 - 1.5000



**WHEY, CASEIN & EVAPORATED MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**DRY WHEY – CENTRAL**

Prices remain unchanged on Extra Grade and feed grade whey. The market tone is steady to firm. Spot supplies of whey are generally not available, especially direct from the manufacturer. Resale offers are noted as much as 4 cents over the average for the very light interest. Production is steady. Some contracts for 2006 have been negotiated at prices that include fuel surcharges. However, most contracts for 2006 are held in abeyance until buyers and sellers can agree on surcharge assessments and pricing points. Feed buyers, especially veal operations, are having a difficult time in coping with the higher prices of dry whey products. Supplies of feed grade whey are limited for the good interest.

F.O.B. CENTRAL: .2950 - .3175 MOSTLY: .2950 - .3050  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2675 - .2975

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are mostly steady and the Northeast price range remains nominal. A few scattered spot sales are noted, but most Eastern producers are still trying to get caught up with contract shipments. Others continue to report that they are sold out for the remainder of the year. Energy surcharges continue to dominate conversations and how their inclusion in prices will affect demand/utilization and milk prices. Like them or not, some contacts feel that they seem to the wave of the future for manufactured goods, not just dairy and food products. Cheese production is steady at best as falling cheese prices are not providing positive financial returns at current milk prices. Dry whey output is mostly steady. Most spot sales activity continues to be in the resale market and at slight premiums. Demand is mostly steady.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3100 - .3275  
DELVD SOUTHEAST: .3250 - .3550

**DRY WHEY - WEST**

Western whey prices range from steady to fractionally higher. Demand is strong enough to easily clear current offerings. Domestic and export sales are both good. Some comments are heard from domestic buyers complaining about the implementation of energy surcharges. Some say they will decline to take loads, but there are few alternatives and powder is not backing up now. Comments were also heard about a possible slowdown on export sales, but that has had no impact at this time. From a world perspective, Europe is not a factor in whey sales at this time and Oceania is past their peak production time and total output did not make it up to last year's levels. The U.S. still seems to be the market with some whey available.

NONHYGROSCOPIC: .2950 - .3450 MOSTLY: .3200 - .3325

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged to lower on a mostly steady market. Production is steady with most plants reporting that their stocks are in good balance. With the price of 80% WPC directly competitive with 34% WPC, some 34% WPC plants are trading at a discount to remain competitive. Fuel surcharges are being assessed at some locations. Feed grade supplies of 34% WPC are available with traders noting some difficulty in moving 34% WPC compared to the higher protein feed grade products. Asian buyers are looking to buy WPC 34% or 80%. Offers of Argentinian 34% WPC are noted. Buyers are generally working down their stocks as the year end approaches with some limited discussions occurring for the 2006 contractual year.

F.O.B. EXTRA GRADE 34% PROTEIN: .8125 - .8625 MOSTLY: .8425 - .8525

**LACTOSE - CENTRAL AND WEST**

Prices remain unchanged on a firm market. Production is steady and stocks are in balance. Most movement is noted on a contractual basis with very limited trade on the spot market. Limited supplies of both dry whey and permeate continue to encourage interest in lactose. Contracts for 2006 are not anticipated to be discussed fully until the end of the month. Lactose prices are expected to remain fairly steady into first quarter. Energy surcharges are being discussed but are not assessed by all manufacturers. Feed supplies are short of buyer interest.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .2000 - .2500 MOSTLY: .2050 - .2300

**CASEIN – NATIONAL**

Casein markets and prices are holding steady, although a weaker undertone is developing as first quarter contracts are negotiated. Suppliers indicate that stocks of casein are in good balance with need. European production has been strong this year, thus inventories are in a better situation than last year. Oceania's supply situation is still unclear. Milk production in New Zealand was positive early on in the current season, but recent negative weather developments have slowed milk output which basically caused peak levels of last year to not be attained. This potentially could cause New Zealand milk producers to have two consecutive years of less than favorable milk output.

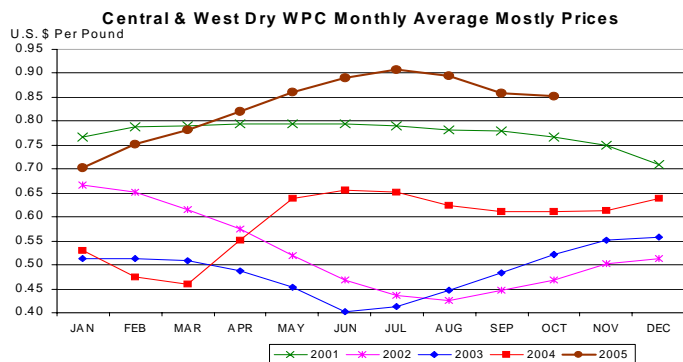
SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 3.2000 - 3.3500  
ACID: 3.2000 - 3.3000

**EVAPORATED MILK - NATIONAL**

Prices and the market tone remain unchanged. Production levels are about steady, but some areas of the country are seeing milk production dip to their annual low points. Other areas continue to see slight gains in their milk flow. Demand for canned evaporated milk is improving along seasonal patterns. Most retail chains have pumpkin pie ingredient features/displays in place at this time. On November 1, the Kansas City Commodity office announced the Evaporated Milk Products Solicitation EVD2-003, inviting competitive offers to sell to CCC 2,533,680 pounds of evaporated milk for delivery November and December 2005. Offers are due by 9:00 a.m. CDT, November 8, 2005.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.50 - 30.00  
Excluding promotional and other sales allowances. Included new price announcements.





MONTHLY SUMMARY AND AVERAGES FOR OCTOBER 2005 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 40 ::----- :: OCT 03 - 07	::REPORT NUMBER 41 ::----- :: OCT 10 - 14	::REPORT NUMBER 42 ::----- :: OCT 17 - 21	::REPORT NUMBER 43 ::----- :: OCT 24 - 28	::REPORT NUMBER 44 ::----- :: OCT 31	:: 2005 :: Average :: or Total	:: 2004 :: Average :: or Total
CHEESE							
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	:: 1.7050 - 1.9700	:: 1.6575 - 1.9700	:: 1.6250 - 1.9700	:: 1.6650 - 1.9700	:: 1.6475 - 1.9700	:: 1.8163	:: 1.8206
-- Brick And/Or Muenster 5#	:: 1.9700 - 2.1425	:: 1.9700 - 2.0050	:: 1.9700 - 1.9775	:: 1.9700 - 2.0125	:: 1.9700 - 1.9975	:: 2.0020	:: 2.0775
-- Cheddar 40# Block	:: 1.8500 - 2.2650	:: 1.8075 - 2.2650	:: 1.7800 - 2.2650	:: 1.8150 - 2.2650	:: 1.8000 - 2.2650	:: 2.0389	:: 2.0593
-- Monterey Jack 10#	:: 2.0000 - 2.2650	:: 2.0000 - 2.2650	:: 2.0000 - 2.2650	:: 2.0000 - 2.2650	:: 2.0000 - 2.2650	:: 2.1325	:: 2.0625
-- Blue 5#	:: 2.4400 - 2.6700	:: 2.3025 - 2.6700	:: 2.2750 - 2.6700	:: 2.3100 - 2.6700	:: 2.2950 - 2.6700	:: 2.5008	:: 2.5195
-- Mozzarella 5 - 6#	:: 1.7725 - 2.3650	:: 1.6350 - 2.3650	:: 1.6075 - 2.3650	:: 1.6425 - 2.3650	:: 1.6275 - 2.3650	:: 2.0145	:: 2.0919
-- Grade A Swiss Cuts 6 - 9#	:: 2.4300 - 2.8900	:: 2.4300 - 2.8900	:: 2.4300 - 2.8900	:: 2.4300 - 2.8900	:: 2.4300 - 2.8900	:: 2.6600	:: 2.6844
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 10# Prints	:: 1.6775 - 2.1975	:: 1.5400 - 2.0600	:: 1.5125 - 2.0325	:: 1.5475 - 2.0675	:: 1.5325 - 2.0525	:: 1.8290	:: 1.8450
-- Cheddar Single Daisies	:: 1.6350 - 2.1100	:: 1.4975 - 1.9725	:: 1.4700 - 1.9450	:: 1.5050 - 1.9800	:: 1.4900 - 1.9650	:: 1.7640	:: 1.7825
-- Cheddar 40# Block	:: 1.7350 - 2.0075	:: 1.5975 - 1.8700	:: 1.5700 - 1.8425	:: 1.6050 - 1.8775	:: 1.5900 - 1.8625	:: 1.7628	:: 1.7900
-- Process 5# Loaf	:: 1.6650 - 1.9025	:: 1.6175 - 1.8550	:: 1.5850 - 1.8225	:: 1.6250 - 1.8625	:: 1.6075 - 1.8450	:: 1.7414	:: 1.7749
-- Process 5# Sliced	:: 1.6850 - 1.9075	:: 1.6375 - 1.8625	:: 1.6050 - 1.8300	:: 1.6450 - 1.8700	:: 1.6275 - 1.8525	:: 1.7548	:: 1.8111
-- Muenster	:: 1.7500 - 1.9500	:: 1.6125 - 1.8125	:: 1.5850 - 1.7850	:: 1.6200 - 1.8200	:: 1.6050 - 1.8050	:: 1.7415	:: 1.8613
-- Grade A Swiss Cuts 10 - 14#	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.4500 - 2.6500	:: 2.5500	:: 2.5500
WEST COAST (WSP, Delivered, LTL)							
-- Process 5# Loaf	:: 1.6050 - 1.8625	:: 1.5575 - 1.8150	:: 1.5250 - 1.7825	:: 1.5650 - 1.8225	:: 1.5475 - 1.8050	:: 1.6914	:: 1.7436
-- Cheddar 40# Block	:: 1.7150 - 2.0675	:: 1.5775 - 1.8775	:: 1.5500 - 1.9025	:: 1.5850 - 1.9375	:: 1.5700 - 1.9225	:: 1.7775	:: 1.8138
-- Cheddar 10# Cuts	:: 1.8950 - 2.1150	:: 1.7575 - 1.9775	:: 1.7300 - 1.9500	:: 1.7650 - 1.9850	:: 1.7500 - 1.9700	:: 1.8965	:: 1.9275
-- Monterey Jack 10#	:: 1.9050 - 2.0650	:: 1.7675 - 1.9275	:: 1.7400 - 1.9000	:: 1.7750 - 1.9350	:: 1.7600 - 1.9200	:: 1.8765	:: 1.9080
-- Grade A Swiss Cuts 6 - 9#	:: 2.2500 - 2.7000	:: 2.2500 - 2.7000	:: 2.2500 - 2.7000	:: 2.2500 - 2.7000	:: 2.2500 - 2.7000	:: 2.4750	:: 2.4750
FLUID PRODUCTS							
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)							
-- Northeast - f.o.b	:: 2.1418 - 2.3724	:: 2.0982 - 2.2621	:: 2.0960 - 2.2598	:: 2.0448 - 2.2901	:: 2.0225 - 2.1817	:: 2.1917	:: 2.2920
-- Atlanta - dlvd. equiv.	:: 2.1912 - 2.3395	:: 2.1474 - 2.2949	:: 2.1288 - 2.2925	:: 2.0938 - 2.3228	:: 2.0384 - 2.2614	:: 2.2228	:: 2.3181
-- Upper Midwest - f.o.b	:: 2.0948 - 2.2278	:: 2.0490 - 2.1883	:: 2.0469 - 2.1615	:: 2.0448 - 2.1265	:: 1.9906 - 2.0702	:: 2.1130	:: 2.3007
PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.							
-- Class II	:: 1.0000 - 1.0700	:: 1.0000 - 1.0800	:: 1.0000 - 1.0800	:: 1.0000 - 1.0800	:: 1.0200 - 1.0800	:: 1.0393	:: 0.9388
-- Class III	:: 1.0800 - 1.1400	:: 1.0500 - 1.1200	:: 1.0500 - 1.1200	:: 1.0500 - 1.1200	:: 1.0500 - 1.1200	:: 1.0913	:: 1.0425
NATIONAL EVAPORATED MILK (\$ per Case)							
(Case - 48 - 12 fluid oz cans)							
-- Delivered Major U.S. Cities	::19.5000 -30.0000	::19.5000 -30.0000	::19.5000 -30.0000	::19.5000 -30.0000	::19.5000 -30.0000	:: 24.7500	:: 26.0000

MONTHLY SUMMARY AND AVERAGES FOR OCTOBER 2005 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 40 ::-----::	::REPORT NUMBER 41 ::-----::	::REPORT NUMBER 42 ::-----::	::REPORT NUMBER 43 ::-----::	::REPORT NUMBER 44 ::-----::	2005 Average	2004 Average
	OCT 03 - 07	OCT 10 - 14	OCT 17 - 21	OCT 24 - 28	OCT 31	or Total	or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	:: 0.9900 - 1.0625	:: 0.9900 - 1.0775	:: 0.9900 - 1.0650	:: 1.0125 - 1.0700	:: 1.0325 - 1.0950	:: 1.0337	: 0.8700
-- Mostly	:: 0.9900 - 1.0200	:: 1.0175 - 1.0300	:: 1.0175 - 1.0450	:: 1.0200 - 1.0450	:: 1.0400 - 1.0500	:: 1.0242	: 0.8375
-- High Heat	:: 1.0375 - 1.1050	:: 1.0375 - 1.1050	:: 1.0375 - 1.1250	:: 1.0450 - 1.1250	:: 1.0700 - 1.1250	:: 1.0785	: 0.9525
-- West (f.o.b.)							
-- Low/Medium Heat	:: 0.9475 - 1.0000	:: 0.9500 - 1.0100	:: 0.9600 - 1.0025	:: 0.9600 - 1.0050	:: 0.9700 - 1.0250	:: 0.9803	: 0.8488
-- Mostly	:: 0.9675 - 0.9925	:: 0.9700 - 1.0075	:: 0.9700 - 0.9950	:: 0.9700 - 1.0000	:: 0.9825 - 1.0250	:: 0.9848	: 0.8376
-- High Heat	:: 0.9700 - 1.0250	:: 0.9800 - 1.0400	:: 0.9900 - 1.0275	:: 0.9900 - 1.0325	:: 1.0000 - 1.0575	:: 1.0078	: 0.8756
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	:: 0.2950 - 0.3150	:: 0.2950 - 0.3175	:: 0.2950 - 0.3175	:: 0.2950 - 0.3175	:: 0.2950 - 0.3175	:: 0.3059	: 0.2321
-- Mostly	:: 0.2950 - 0.3050	:: 0.2950 - 0.3050	:: 0.2950 - 0.3050	:: 0.2950 - 0.3050	:: 0.2950 - 0.3050	:: 0.3000	: 0.2284
-- West (f.o.b.)	:: 0.3025 - 0.3425	:: 0.2950 - 0.3375	:: 0.2975 - 0.3450	:: 0.2950 - 0.3450	:: 0.2950 - 0.3450	:: 0.3202	: 0.2374
-- Mostly	:: 0.3100 - 0.3350	:: 0.3100 - 0.3325	:: 0.3100 - 0.3325	:: 0.3150 - 0.3325	:: 0.3200 - 0.3325	:: 0.3224	: 0.2294
-- Northeast (f.o.b.)	:: 0.2975 - 0.3150	:: 0.3100 - 0.3150	:: 0.3100 - 0.3225	:: 0.3100 - 0.3250	:: 0.3100 - 0.3275	:: 0.3134	: 0.2450
-- Southeast (Delvd)	:: 0.3150 - 0.3350	:: 0.3225 - 0.3400	:: 0.3225 - 0.3400	:: 0.3250 - 0.3550	:: 0.3250 - 0.3550	:: 0.3323	: 0.2572
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 0.8300 - 0.8625	:: 0.8300 - 0.8625	:: 0.8125 - 0.8625	:: 0.8125 - 0.8625	:: 0.8125 - 0.8625	:: 0.8414	: 0.6063
-- Mostly	:: 0.8475 - 0.8575	:: 0.8475 - 0.8575	:: 0.8475 - 0.8575	:: 0.8475 - 0.8575	:: 0.8425 - 0.8525	:: 0.8523	: 0.6100
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.2650 - 0.2900	:: 0.2675 - 0.2900	:: 0.2675 - 0.2900	:: 0.2675 - 0.2975	:: 0.2675 - 0.2975	:: 0.2796	: 0.2018
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	:: 0.9500 - 1.0450	:: 0.9500 - 1.0450	:: 0.9500 - 1.0450	:: 0.9500 - 1.0450	:: 0.9500 - 1.0000	:: 0.9964	: 0.9550
-- West (f.o.b.)	:: 0.9100 - 0.9650	:: 0.9100 - 0.9650	:: 0.9100 - 0.9650	:: 0.9100 - 0.9650	:: 0.9100 - 0.9650	:: 0.9375	: 1.0450
-- Mostly	:: 0.9150 - 0.9250	:: 0.9150 - 0.9250	:: 0.9150 - 0.9250	:: 0.9150 - 0.9250	:: 0.9150 - 0.9250	:: 0.9200	: 1.0400
-- Northeast (f.o.b.)	:: 0.9500 - 1.0050	:: 0.9600 - 1.0050	:: 0.9600 - 1.0050	:: 0.9600 - 1.0050	:: 0.9600 - 1.0050	:: 0.9813	: 1.0100
-- Southeast (Delvd)	:: 0.9800 - 1.0600	:: 0.9800 - 1.0600	:: 0.9800 - 1.0600	:: 0.9800 - 1.0600	:: 0.9800 - 1.0600	:: 1.0200	: 1.0350
WHOLE MILK POWDER							
-- National (f.o.b.)	:: 1.3600 - 1.4950	:: 1.3600 - 1.4950	:: 1.3600 - 1.5000	:: 1.3600 - 1.5000	:: 1.3600 - 1.5000	:: 1.4289	: 1.3311
LACTOSE							
-- Central And West (f.o.b.)	:: 0.2000 - 0.2500	:: 0.2000 - 0.2500	:: 0.2000 - 0.2500	:: 0.2000 - 0.2500	:: 0.2000 - 0.2500	:: 0.2250	: 0.1973
-- Mostly	:: 0.2050 - 0.2200	:: 0.2050 - 0.2200	:: 0.2050 - 0.2300	:: 0.2050 - 0.2300	:: 0.2050 - 0.2300	:: 0.2153	: 0.1878
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 3.2000 - 3.3500	:: 3.2000 - 3.3500	:: 3.2000 - 3.3500	:: 3.2000 - 3.3500	:: 3.2000 - 3.3500	:: 3.2750	: 2.8750
-- Nonrestricted - Acid	:: 3.2000 - 3.3000	:: 3.2000 - 3.3000	:: 3.2000 - 3.3000	:: 3.2000 - 3.3000	:: 3.2000 - 3.3000	:: 3.2500	: 2.9000

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

## CHICAGO MERCANTILE EXCHANGE AVERAGES FOR OCTOBER 2005

COMMODITY	::REPORT NUMBER 40::		::REPORT NUMBER 41::		::REPORT NUMBER 42::		::REPORT NUMBER 43::		::REPORT NUMBER 44::		2005 *	2004 *
	::		::		::		::		::		Monthly	Monthly
	:: OCT 3 - 7		:: OCT 10 - 14		:: OCT 17 - 21		:: OCT 24 - 28		:: OCT 31		Average	Average
BUTTER*												
-- GRADE AA												
--Monday	::	1.6475	::	1.6400	::	1.6475	::	1.6300	::	1.5500	::	:
--Tuesday	::		::		::		::		::		::	:
--Wednesday	::	1.6300	::	1.6250	::	1.6250	::	1.5700	::		::	:
--Thursday	::		::		::		::		::		::	:
--Friday	::	1.6400	::	1.6475	::	1.6350	::	1.5775	::		::	1.6204 : 1.6475
--Weekly Average**	::	1.6392	::	1.6375	::	1.6358	::	1.5925	::		::	:
CHEESE*												
-- BARRELS												
--Monday	::	1.4300	::	1.3825	::	1.4200	::	1.3950	::	1.3500	::	:
--Tuesday	::	1.4100	::	1.3750	::	1.4200	::	1.4000	::		::	:
--Wednesday	::	1.4100	::	1.3675	::	1.4200	::	1.4200	::		::	:
--Thursday	::	1.3975	::	1.3675	::	1.4200	::	1.4200	::		::	:
--Friday	::	1.3925	::	1.3800	::	1.3900	::	1.3500	::		::	1.3961 : 1.4683
--Weekly Average**	::	1.4080	::	1.3745	::	1.4140	::	1.3970	::		::	:
-- 40# BLOCKS												
--Monday	::	1.5500	::	1.4175	::	1.4625	::	1.4675	::	1.3800	::	:
--Tuesday	::	1.4400	::	1.4175	::	1.4625	::	1.4675	::		::	:
--Wednesday	::	1.4400	::	1.4250	::	1.4650	::	1.4675	::		::	:
--Thursday	::	1.4300	::	1.4300	::	1.4650	::	1.4475	::		::	:
--Friday	::	1.4275	::	1.4575	::	1.4675	::	1.4000	::		::	1.4470 : 1.5170
--Weekly Average**	::	1.4575	::	1.4295	::	1.4645	::	1.4500	::		::	:
NONFAT DRY MILK*												
-- EXTRA GRADE												
--Monday	::	0.9625	::	0.9625	::	0.9625	::	0.9625	::	0.9625	::	:
--Tuesday	::	0.9625	::	0.9625	::	0.9625	::	0.9625	::		::	:
--Wednesday	::	0.9625	::	0.9625	::	0.9625	::	0.9625	::		::	:
--Thursday	::	0.9625	::	0.9625	::	0.9625	::	0.9625	::		::	:
--Friday	::	0.9625	::	0.9625	::	0.9625	::	0.9625	::		::	0.9625 : 0.8500
--Weekly Average**	::	0.9625	::	0.9625	::	0.9625	::	0.9625	::		::	:
-- GRADE A												
--Monday	::	0.9825	::	0.9825	::	0.9825	::	0.9950	::	0.9950	::	:
--Tuesday	::	0.9825	::	0.9825	::	0.9825	::	0.9950	::		::	:
--Wednesday	::	0.9825	::	0.9825	::	0.9825	::	0.9950	::		::	:
--Thursday	::	0.9825	::	0.9825	::	0.9825	::	0.9950	::		::	:
--Friday	::	0.9825	::	0.9825	::	0.9825	::	0.9950	::		::	0.9861 : 0.8500
--Weekly Average**	::	0.9825	::	0.9825	::	0.9825	::	0.9950	::		::	:

\* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

\*\* Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

## OCTOBER AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in October 2005 advanced 1 point to 143. Compared with October 2004, the index was up 7 points (5.1 percent). The index of prices received by farmers for dairy products advanced 1 point during the month of October 2005 to 118. Compared with October 2004, the index was down 1 point (0.8 percent).

Prices received by farmers in October with changes from September were: for All Milk, \$15.40 per hundredweight (cwt.), up \$.10; for Fluid Grade Milk, \$15.40 per cwt., up \$.10; and for Manufacturing Grade Milk, \$14.70 per cwt., up \$.10.

## SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., OCTOBER 2005 WITH COMPARISONS

STATE	All-milk price <u>1/</u> <u>3/</u>				Milk cows <u>5/</u>		Cows <u>6/</u>		All hay baled <u>7/</u>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	SEPTEMBER		OCTOBER		OCTOBER		OCTOBER		OCTOBER	
	2005	2004 <u>2/</u>	2005 <u>4/</u>	2004 <u>2/</u>	2005 <u>4/</u>	2004 <u>2/</u>	2005 <u>7/</u>	2004 <u>8/</u>	2005	2004
CA	14.03	14.27	13.80	14.01	1,950	1,650	46.60	47.50	131.00	115.00
ID	14.50	14.50	14.80	14.30	2,000	1,800	45.30	47.60	114.00	117.00
MI	15.50	15.60	16.00	15.70	1,900	1,700	50.00	48.00	94.00	98.00
MN	15.70	15.80	15.80	15.90	1,770	1,460	49.50	52.30	60.00	62.00
NM	14.70	14.70	14.90	14.50	1,830	1,670	47.00	52.60	125.00	118.00
NY	15.60	16.20	15.90	16.60	1,690	1,580	---	---	117.00	124.00
PA	17.00	17.00	17.60	17.50	1,800	1,600	47.10	48.10	132.00	118.00
TX	15.70	15.90	15.70	15.70	1,890	1,730	43.10	48.70	84.00	73.00
WA	15.20	15.30	15.50	15.50	1,900	1,800	---	---	116.00	116.00
WI	15.70	16.10	15.80	16.30	1,880	1,620	48.90	50.50	107.00	78.00
U.S.	15.30	15.50	15.40	15.60	1,870	1,640	47.70	49.80	97.70	92.80

1/ Prices are shown at reported butterfat test. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

## MILK AND OTHER GENERAL PRICE MEASURES, U.S., OCTOBER 2005 WITH COMPARISONS

ITEM	OCTOBER 2004	SEPTEMBER 2005 <u>1/</u>	OCTOBER 2005 <u>2/</u>
<b>PRICES RECEIVED BY FARMERS</b> , dol. per cwt., at reported butterfat test: <u>3/</u>			
All milk	15.60	15.30	15.40
Fluid grade milk	15.60	15.30	15.40
Manufacturing grade milk	14.90	14.60	14.70
<b>INDEX NUMBERS</b> (1990-92=100):			
Prices received by farmers for all farm products	114	117	110
Prices received by farmers for dairy products	119	117	118
Prices paid by farmers for commodities and services, interest taxes, and wage rates	136	142	143
Prices paid by farmers for production items	134	141	142
Prices paid by farmers for feed	111	116	111
<b>MILK FEED PRICE RATIO:</b> Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk <u>4/</u>	3.27	3.26	3.44

1/ Partially revised. 2/ Preliminary. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay and all wheat.

**SOURCE:** "Agricultural Prices," Pr 1 (10-05), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

## SEPTEMBER 2005 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 101.1 million pounds in September, 7.2 percent above September 2004 and 10.3 percent above August 2005. **AMERICAN TYPE CHEESE** production totaled 302.1 million pounds, 2.6 percent above September 2004 but 3.1 percent below August 2005. **TOTAL CHEESE** output (excluding cottage cheese) was 742.0 million pounds, 3.9 percent above September 2004 but 1.6 percent below August 2005. **NONFAT DRY MILK** production, for human food, totaled 71.2 million pounds, 24.2 percent below September 2004 and 18.1 percent below August 2005. **DRY WHEY** production, for human food, was 78.2 million pounds, 5.7 percent above September 2004 but 2.5 percent below August 2005. **ICE CREAM** (hard) production totaled 73.1 million gallons, 3.3 percent above September 2004 but 18.2 percent below August 2005.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	SEP 2005	PERCENT CHANGE FROM:			PRODUCT	SEP 2005	PERCENT CHANGE FROM:		
	1,000 LBS.	SEP 2004	AUG 2005	YEAR TO DATE 1/		1,000 LBS.	SEP 2004	AUG 2005	YEAR TO DATE 1/
BUTTER	101,051	7.2	10.3	7.4	SOUR CREAM	79,003	1.6	-14.7	4.5
CHEESE					YOGURT (PLAIN AND FLAVORED)	260,850	7.0	4.3	---
AMERICAN TYPES 2/	302,132	2.6	-3.1	2.1	CONDENSED WHEY, SOLIDS CONTENT 6/				
CHEDDAR	238,792	1.8	-2.4	1.5	SWEET-TYPE, HUMAN FOOD	7,243	-7.9	11.2	---
SWISS	23,886	6.8	-3.2	---	DRY WHEY PRODUCTS				
BRICK & MUENSTER	6,395	1.5	-4.0	---	DRY WHEY, HUMAN FOOD	78,191	5.7	-2.5	---
CREAM & NEUFCHATEL	65,860	-5.8	2.4	---	DRY WHEY, ANIMAL FEED	6,878	10.1	-5.7	---
HISPANIC	14,631	14.5	2.3	---	DRY WHEY, TOTAL	85,069	6.0	-2.8	1.3
MOZZARELLA	241,928	7.5	-0.7	3.8	REDUCED LACTOSE AND MINERALS				
OTHER ITALIAN TYPES	65,270	4.4	-2.6	6.5	HUMAN FOOD	3,154	-3.7	-16.0	---
TOTAL ITALIAN TYPES	307,198	6.8	-1.1	4.3	ANIMAL FEED	3,976	13.7	1.0	---
ALL OTHER TYPES	21,851	3.6	0.7	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	55,678	2.4	4.6	---
TOTAL	741,953	3.9	-1.6	3.0	WHEY PROTEIN CONCENTRATE				
COTTAGE CHEESE, CURD 3/	41,030	4.0	-3.1	---	HUMAN FOOD 7/	27,760	15.8	7.6	---
COTTAGE CHEESE, CREAM 4/	32,747	1.9	-3.6	-2.1	ANIMAL FEED 7/	4,093	-17.5	-7.8	---
COTTAGE CHEESE, LOWFAT 5/	35,042	1.8	-3.6	-1.0					
CANNED EVAPORATED & CONDENSED					FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
WHOLE MILK	39,862	-6.6	-4.1	---	ICE CREAM (HARD)	73,109	3.3	-18.2	5.8
DRY WHOLE MILK	2,949	-10.4	73.2	---	ICE CREAM, LOWFAT (HARD)	10,334	6.4	-6.8	---
NONFAT DRY MILK, HUMAN FOOD	71,172	-24.2	-18.1	-18.4	ICE CREAM, LOWFAT (SOFT)	22,132	-10.7	-24.5	---
DRY SKIM MILK, ANIMAL FEED	528	57.6	1.5	---	ICE CREAM, LOWFAT (TOTAL)	32,466	-5.9	-19.7	-3.7
DRY BUTTERMILK	4,072	12.0	43.1	---	SHERBET (HARD)	4,987	18.3	-12.3	9.2
					YOGURT (TOTAL)	5,153	-10.4	-13.2	-8.3

MANUFACTURERS' STOCKS, END OF MONTH 8/								
PRODUCT	SEP 2005	PERCENT OF:		PRODUCT	SEP 2005	PERCENT OF:		
	1,000 LBS.	SEP 2004	AUG 2005		1,000 LBS.	SEP 2004	AUG 2005	
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE				
DRY WHEY, HUMAN FOOD	34,077	-6.6	1.9	HUMAN FOOD	23,672	-9.7	1.2	
DRY WHEY, ANIMAL FEED	4,604	-20.7	43.2	ANIMAL FEED	2,026	-42.5	-8.9	
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 9/	4,362	-37.7	-18.3	CANNED EVAPORATED & CONDENSED WHOLE MILK	66,220	-14.7	-14.4	
LACTOSE, HUMAN FOOD & ANIMAL FEED	50,590	-28.2	5.4	NONFAT DRY MILK FOR HUMAN FOOD	98,239	-23.0	-10.4	
DRY BUTTERMILK, TOTAL	7,369	12.8	5.1					

1/ 2005 cumulative as percent change of 2004 cumulative. 2/ Includes Cheddar, colby, monterey and jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. Does not include sweet-type, animal whey. 7/ Whey Protein Concentrate, 25.0 to 89.9 percent. 8/ Stocks held by manufacturers at all points and in transit. 9/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations.

**SOURCE:** "Dairy Products," Da 2-6 (11-05), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.



CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF OCTOBER 31 - NOVEMBER 4			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/05	SAME PERIOD LAST YEAR	WEEK ENDING 10/28/05	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfort	-0-	-0-	-0-	-0-	31,374,872	-0-	-0-
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	31,374,872	-0-	-0-

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF OCT 31 - NOV 4, =	0.0	0.0	COMPARABLE PERIOD IN 2004 =	1.8	96.6
CUMULATIVE SINCE OCTOBER 1, 2005 =	0.0	0.0	CUMULATIVE SAME PERIOD LAST YEAR =	6.9	365.2
CUMULATIVE JAN 1 - NOV 4, 2005 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2004 =	60.1	3,228.0

\* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/05 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05
CENTRAL	-0-	-0-	-0-	-0-	-0-	1,331,567	0.0	4.3
WEST	-0-	-0-	-0-	-0-	-0-	28,972,702	0.0	92.3
EAST	-0-	-0-	-0-	-0-	-0-	1,070,603	0.0	3.4
TOTAL	-0-	-0-	-0-	-0-	-0-	31,374,872	0.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 10/15/05 & Comparable Week 2004

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1
2005-Dairy	N.A.	0.7	7.1	2.5	15.1	4.1	0.7	N.A.	15.0	1.8	48.1	1,778.7
2004-Dairy	N.A.	0.7	6.5	3.0	15.7	2.9	0.8	N.A.	12.1	2.5	45.1	1,877.5
2005-All cows	N.A.	0.7	8.9	10.7	29.1	18.2	10.3	N.A.	17.4	2.6	100.8	3,754.8
2004-All cows	N.A.	0.8	8.0	14.3	26.3	15.1	10.4	N.A.	14.4	5.4	97.6	4,014.9

**SOURCE:** The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA. 1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87
2004	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72	14.16	14.89	16.14

FEDERAL MILK ORDER CLASS PRICES FOR 2005 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.65	13.79	15.43	14.13	14.80	13.62	13.89	14.44	13.70	14.27	14.56	
II	13.04	13.36	13.25	13.24	12.78	13.06	13.79	13.95	14.35	14.25		
III	14.14	14.70	14.08	14.61	13.77	13.92	14.35	13.60	14.30	14.35		
IV	12.52	12.74	12.66	12.61	12.20	12.33	13.17	13.44	13.75	13.61		

1/ Specific order differentials to be added to this base price are located at [www.ams.usda.gov/dyfm05/mib/cis\\_prod\\_cmp\\_pr.htm](http://www.ams.usda.gov/dyfm05/mib/cis_prod_cmp_pr.htm)